

**CITY OF MINNEAPOLIS
NUISANCE CONDITION PROCESS REVIEW PANEL**

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 2203 Queen Avenue N.
Minneapolis, Minnesota.**

**FINDINGS OF FACT,
CONCLUSIONS, AND
RECOMMENDATION**

This matter came on for hearing before the Nuisance Condition Process Review Panel on February 9, 2012, in City Council Chambers located in Minneapolis City Hall. Noah Schuchman, chair, presided and other board members present included Patrick Todd, Darrell Washington and Ben Foster. The Matter was continued and heard again at the April 12, 2012, hearing of the Nuisance Condition Process Review Panel, which was chaired by Noah Schuchman and other board members present included Patrick Todd, and Darrell Washington. Assistant City Attorney Lee C. Wolf was present for both meetings as *ex officio* counsel to the board. Kellie Jones represented the Inspections Division at both hearings. The owner Mir Ali for the owner, Penrod Lane LLC, was present with Attorney Morgan Smith was present at the February 3, 2012, hearing but neither were present for the April 12, 2012, hearing. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 2203 Queen Avenue N. is a duplex in the Willard-Hay neighborhood. The two-story house was built in 1899. The building is 2,742 square feet and sits on a 5,547 square foot lot.
2. The property has been determined to be in substandard condition. The property sustained significant storm damage from a tornado on May 22, 2011. The damage includes but

is not limited to: damaged roof, damaged soffits and fascia, collapsed 2nd floor porch, damaged windows, damaged stucco and damaged garage.

3. The City Assessor's Office rates the overall building condition as average minus.

4. On November 18, 2011, a Director's Order to Demolish the property, located at 2203 Queen Avenue N. was sent to Mir Ali and Penrod Lane LLC., based upon the Inspections Division of the City of Minneapolis determination that the property at 2203 Queen Avenue N. met the definition of a Nuisance under Minneapolis Code of Ordinances (hereinafter "M.C.O.") § 249.30. The applicable sections of M.C.O. § 249.30. provide that *(a) A building within the city shall be deemed a nuisance condition if:*

(1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months.

(2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.

(3) Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.

(4) *Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.*

5. On December 5, 2011, an appeal was received from Mir Ali on behalf of Penrod Lane, LLC. Stating that the order was unreasonable, that funds were unavailable to the owner due to the amount of buildings owned by the appellant which were damaged in the May 22, 2011, Tornado in North Minneapolis and requesting time to complete the repairs. A hearing was set for February 9, 2012.

6. Pursuant to M.C.O. § 249.40(1) the building was examined by the Department of Inspections to ascertain whether the nuisance condition should be ordered for rehabilitation or demolition. Considering the criteria listed in M.C.O. § 249.40(1) the Inspections Department found:

a. The estimated cost to rehabilitate the building is \$41,020.00 to \$54,290.00 based on the MEANS square footage estimate. The assessed value of the property in 2011, was \$97,500.00. The assessed value in 2010 was \$105,000.00 and in 2009 the assessed value was also \$105,000.00. The after rehabilitation value of the property is estimated at \$125,000.00 per the CPED contracted appraiser.

b. The Northside Residents Redevelopment Council and property owners within 350 feet of 2209 Queen Avenue N., were mailed a request for community impact statements. The Department of Inspections received five (5) in response. All five responses stated that the property has had a negative impact on the neighborhood and recommended demolition. One of the responses stated that the property was

dangerous, a real eye sore and was bringing down the property values and should be demolished due to its condition.

c. The Preservation and Design Team staff conducted a historic review of the property finding that the property does not constitute a historic resource and the demolition permits have been signed and returned to Minneapolis Development Review.

d. The vacant housing rate in the Willard-Hay Neighborhood was around 11.1% in 2010, of the 755 houses on the city's Vacant Building registration, 74 are in the Willard-Hay neighborhood, a neighborhood of approximately 3,017 housing units.

7. Based on the condition of the property, the cost to rehabilitate and the after market rehab value the Department recommended that the property should be demolished in order to eliminate the nuisance condition the property constituted. Mr. Ali appeared with counsel at the February 9, 2012, appeals hearing and requested time to put together a rehabilitation plan for the property and present it to Department staff and the hearing was continued to April 12, 2012.

8. At the April 12, 2012, Kellie Jones, Director of the Problem Properties Unit stated that staff had met with the owners and had come up with an acceptable rehabilitation plan for the property that addressed the concerns of Department staff and also included a \$5,000.00 deposit to be held in escrow by the city in the event the owner fails to complete the rehabilitation.

CONCLUSIONS

1. The building located at 2203 Queen Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(1) as the building is vacant and unoccupied for the

purpose for which it was erected and the building has remained in such a condition for a period of at least six months.

2. The building located at 2203 Queen Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(2) as the building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, and the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.

3. The building located at 2203 Queen Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(3) as evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.

4. The building located at 2203 Queen Avenue N. meets the definition of a nuisance condition as defined by M.C.O. § 249.30 and a preponderance of the evidence, based upon the criteria listed in M.C.O. § 249.40, demonstrates that the building should be rehabilitated. The owner has met with staff and presented a rehabilitation plan for the building that addresses the concerns staff had regarding the building. The owner has shown to staff the financial ability to complete a full rehabilitation of the property and has put \$5,000.00 down as escrow in a show of good faith. By completing a full rehabilitation of the property the property will cease being a nuisance to the neighborhood and a completed rehabilitation will prevent the neighborhood from having another vacant lot in the area.

RECOMMENDATION

That the building located at 2203 Queen Avenue N., Minneapolis, Minnesota, be rehabilitated so that it no longer constitutes a nuisance condition.

Noah Schuchman
Chair,
Nuisance Condition Process Review Panel